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Ministry of Forests

## CARRIER LUMBER, PROVINCE REACH SETTLEMENT

VICTORIA – Carrier Lumber and the province announced today that they have settled the dispute arising from actions of previous governments that affected Carrier's forest tenures.

Carrier had claimed damages as a result of government actions that made it impossible for the company to harvest 2.5 million cubic metres of timber under tenures granted in 1983 to address the pine beetle attack at that time.

The settlement consists of $30 million, two parcels of land purchased by the government from BC Rail, and 1.5 million cubic metres of timber, to be harvested over the next five years, free of stumpage charges. Where possible, the timber harvested under this settlement will address the current pine beetle attack.

"We recognize the fiscal challenges facing our province, and that is why we included timber and land as part of the creative settlement package that is putting an end to this long-standing dispute," said Bill Kordyban, president of Carrier Lumber. "The settlement provides Carrier with sufficient timber to maintain an efficient two-shift operation at our Prince George mill for the next five years, creating about 40 forestry jobs and 20 mill jobs in the Prince George region at a time when they are desperately needed."

"This settlement meets our government's commitment to resolve this long-running dispute arising from the actions of previous governments," said Forests Minister Michael de Jong. "While it is a substantial settlement, it is consistent with the government's legal advice on its obligations, and it avoids more expensive court processes and continuing uncertainty for Carrier and the province. It creates jobs in the region and in the forest industry; it is consistent with the province's program to address the pine beetle attack in the region - it is in the public interest.

"We recognize the valuable contribution made by the late Bill Kordyban Sr. to the forest industry in British Columbia, and we look forward to working co-operatively with Carrier Lumber in the future."

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Visit the province's Web site at http://www.gov.bc.ca/ for online information and services.